

# SPECIAL NOTICE

June 26, 2003

For further information contact:  
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1-800-647-7706 or (360) 486-2345

Alternate Formats (360) 486-2342  
Teletype 1-800-451-7985

## Nursing Facility Operators – Quality Maintenance Fee

The purpose of this Special Notice is to inform nursing facility operators of a new fee. Second Substitute Senate Bill 5341 (Chapter 16 Laws of 2003, 1<sup>st</sup> sp. 5.) **effective, July 1, 2003**, imposes a quality maintenance fee of \$6.50 per patient day (less Medicare patient days). This fee is to be reported and paid to the Department of Revenue (DOR) on a monthly basis.

For tax periods beginning July 1, 2003, each nursing facility operator must file a monthly return with the DOR to report the maintenance fee of **\$6.50 per patient day** (less Medicare patient days). This means that nursing facility operators that are not currently on a monthly filing basis with the Department must change to a monthly reporting basis effective July 1, 2003. This also applies to nursing facility operators that do not currently file taxes with the Department. Please be aware that starting with the July 2003 monthly return, the return must be filed due by the 20<sup>th</sup> day of the month following the tax reporting period to avoid late penalties.

Many nursing facility operators will be notified of a new reporting frequency or contacted by the DOR with the appropriate forms to register. However, each operator is responsible for remitting this fee to the DOR.

For purposes of the quality maintenance fee, the following definitions apply:

“**Patient day**” means a calendar day of care provided to a nursing facility resident, excluding a “Medicare patient day.” Patient days include the day of admission and exclude the day of discharge; except when admission and discharge are on the same day, one day of care shall be counted.

“**Medicare patient day**” means a patient day for Medicare beneficiaries on a Medicare Part A stay and a patient day for persons who have opted for managed care coverage using their Medicare benefit.

“**Nursing facility**” has the same meaning as the term is defined in RCW 18.51.010; it does not include a boarding home as defined in RCW 18.20.020 or an adult family home as defined in RCW 70.128.010.

The quality maintenance fee on nursing facility operators will appear on the Combined Excise Tax Return for monthly reporters effective with the July 2003 return. This fee is reported on line 60 and is called the quality maintenance fee on nursing facility operators.

(more)



## **Waiver of Quality Maintenance Fee**

The following nursing facilities may qualify for waiver of the quality maintenance fee:

- ◆ Nursing facilities operated by any agency of the state of Washington;
- ◆ Nursing facilities operated by a public hospital district;
- ◆ Some nursing facilities with no or disproportionately low numbers of Medicaid-funded residents;

By August 1, 2003, the Department of Social and Health Services (DSHS) shall submit a request to the federal Department of Health and Human Services for a waiver pursuant to 42 CFR 433.68. The waiver shall identify nursing facilities that DSHS proposes to exempt from the quality maintenance fee.

DSHS will notify affected nursing facility operators and the DOR of the waiver request. The quality maintenance fee for any nursing facility included in the DSHS request may be withheld pending final decision by the federal government on the waiver. (Note: the legislation imposes the quality maintenance fee on the operator but the waiver is facility-specific.)

If the waiver request is approved, DSHS shall notify the DOR and the nursing facility operator that no maintenance fee is due. However, if the request is denied the nursing facility operators who have withheld payment shall forward all withheld fees to the DOR.

The funds generated by the quality maintenance fee will be funneled back to nursing facilities with Medicaid residents. Persons interested in how the reimbursement mechanism may affect individual nursing facility operators should contact DSHS for more information at (360) 725-2469.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342. Teletype (TTY) users please call 1-800-451-7985.